

The Trial by Fire of the Canadian Broadcasting Corporation

Lessons for Public Broadcasting

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The case of the Canadian Broadcasting Corporation highlights many of the dilemmas facing public broadcasting. If European and other public broadcasters have not yet experienced the trial by fire that has characterised the recent history of the CBC, this case may signal what lies ahead.

First of all, Canadians have been dealing with the push-and-pull of domestic or national versus global or transnational broadcasting since the early days of radio. Most Canadians live within signal distance of the U.S. border, so the issues arising from cross-border broadcasting have been with them from the beginning. Long before satellites, long before cheap imports, long before “globalization” or even “Americanization” became popular buzzwords, Canadians had to face the reality that if there were to be such a thing as “Canadian broadcasting” at all, it would certainly not result from unregulated market forces. As one famous dictum of the day had it, Canadians had a choice between “the State or the United States”.

Once this reality had set in – by the late 1920s – Canadian legislators attacked the question of broadcasting structure. Canadians want Canadian programming, a 1928 royal commission declared, and the best way to provide it would be by creating a BBC-type public corporation, publicly funded and mandated to oversee all broadcasting in Canada. Easier said than done. Unlike in most of the west European countries, more like in the neighbouring United States, broadcasting was already operating in the private sector. Indeed, many Canadian radio stations in the 1920s and 1930s were affiliates of the US commercial networks. Canada’s first Broadcasting Act, passed in 1932, established a national broadcasting commission and gave it authority to nationalize all existing broadcasting outlets, with compensation. The private broadcasters called foul. Four years later, this commission would become the Canadian Broadcasting Corporation, but the plan for a public service monopoly never got off the ground. Thus and secondly, public and private broadcasting in Canada began an uneasy coexistence which continues unto this day.

A third set of tensions marking the evolution of Canadian broadcasting revolves around issues that we would describe today as concerning cultural

diversity. From the beginning, Canada's two main linguistic groups have claimed and demanded equal access to the broadcasting system. Struggles around broadcasting have been part and parcel of the broader struggles to define the Canadian nation-state, polity and culture. The CBC, for example, operates as a single national corporation but provides a full range of equivalent services in both English and French, from coast to coast. This has resulted in an interesting paradox: public broadcasting, deemed to be an essential instrument for promoting national unity, actually provides often different and sometimes conflicting views of Canada and the world, reinforcing what author Hugh MacLennan famously referred to as Canada's "two solitudes".

This history, fascinating in and of itself, is rich in lessons for other societies grappling with the role and future of public broadcasting. Put briefly, it illustrates that broadcasting can not contribute seriously to social and cultural development without a major public policy commitment to the enabling environment for broadcasting; public broadcasters have a central role to play in this environment; and it is not reasonable for politicians and other social actors to expect broadcasting to solve society's problems. A reasonable expectation is that broadcasting portray and reflect a given society, where it came from and where it is at, while indicating the possibilities that lie ahead. Most of all, the measure of success for any broadcasting system, and especially a public broadcaster, should be the extent to which it empowers people to act fully as citizens on the issues before them.

In this chapter we describe the challenges that now face Canada's national public broadcaster; the Canadian Broadcasting Corporation/Radio-Canada [CBC]. The Canadian Broadcasting Corporation is one of the world's venerable public broadcasting institutions. According to OECD statistics, it is also one of the most cash starved. Public expectations of the CBC run high, but audience figures are low. The CBC is meant to be all things to all Canadians, but it is increasingly absent in local and regional markets. The CBC is an innovator, pioneering specialised television channels and Internet programming. But its regulator, the CRTC, would like it to focus on conventional services. The CBC has both friends and enemies in high places, and a public which clamours for more and for better from the CBC.

We will situate the CBC within the Canadian media landscape, describe the financial and regulatory pressures and decisions that have weakened the CBC, examine public attitudes towards public and private broadcasters and discuss proscriptions for change as outlined in the recommendations of the Lincoln Report¹ – the most comprehensive review of Canadian broadcasting to have been undertaken in a generation. We will argue that financial, regulatory and political pressures have wounded the public broadcaster to the point where its future is in jeopardy. At the very time that public broadcasting has re-emerged as a vital tool for national and democratic expression, the CBC dangles close to the edge of extinction. We will also describe what we believe are the lessons that others can learn from the CBC's trial by fire.

Canadian broadcasting today

Canadians live in one of the most globalized societies on the planet. We have gone in a relatively short period from being a largely insular and narrow society at the fringes of global power and decision-making to being one of the great meeting places of the world. To begin with, Canada has since the Second World War taken in more immigrants per capita than any other country. On a per capita basis there are simply more people from more places living in Canada than can be found almost anywhere else in the world. Our great cities – Toronto, Montreal and Vancouver – have become global cities where international commerce and connections, let alone food, music and faces, are everywhere. Moreover, as travellers, traders and investors Canadians can be found almost anywhere. There are over 200 million annual border crossings between Canada and the United States alone. Canada helped found almost all of the world's international organisations and has played a key role in their operations. Considering the current rhetoric about how globalized the world has become, the reality is that few countries have embraced the world to the extent that Canada has.

One can also argue that Canada is among the best places in the world to watch television. One only has to compare broadcasting in Canada to the United States to realise how international our broadcasting choices are. Despite recent squabbles over the fact that Canadian satellite and cable providers can't carry the American cable channel, HBO, or the Italian state broadcaster, RAI, Canadians can on any given day watch news broadcasts from Paris, London, Rome, New York, Sydney or New Delhi. TV5 is an international broadcasting co-operative that links Canada to francophone broadcasters around the world. Vision TV is at the forefront of multi-faith programming globally, airing programs produced by over 70 different religious organisations. Canadians have access to digital channels that broadcast in Mandarin, Tamil, Portuguese, Spanish, Hindi, Punjabi, Korean, and Cantonese among other languages. Indeed there are multiple Portuguese and Tamil TV services.

And, of course, there is the relentless crush of American programs from all of the major US broadcasters. When it comes to certain TV genres such as drama and sitcoms, English-speaking Canadians watch American TV shows virtually all of the time.

One of the critical issues that Canadians are facing is how to maintain our own avenues of communication when our airwaves are filled with so many signals from so many different places. While many Canadians feel they have almost an inalienable right to receive TV programs from where ever they wish, and indeed the Canadian broadcasting system has gone a long way towards accommodating that need, this cannot presumably be at the expense of a country's need to communicate with itself – to keep its own channels of communication open and available. In most of the world's advanced post-industrialised countries, it is the public broadcaster that serves as the linchpin of national cultures. But this is no longer the case in Canada.

Some analysts believe that we are entering a new era in which public broadcasting is more essential than ever. They argue that commercial broadcasters have largely failed to produce programs that link people to their national experience and that address their needs as citizens. While commercial broadcasting will no doubt continue to expand, governments in many countries realise that circumstances have come full circle – the futures depend on the quality of their public broadcasters. According to writer and philosopher, John Ralston Saul, “Everybody who is smart in bureaucracies and governments around the Western World now knows that public broadcasting is one of the most important remaining levers that a nation state has to communicate with itself” (Cobb, 2001). To Saul, the failure of global media conglomerates such as Disney and Time Warner is almost complete. In his view: “What you’re watching in these gigantic mergers is the last desperate steps as the dinosaurs get bigger, bigger and bigger because they can’t feed themselves. In fact the bigger they get the more impossible it becomes to survive” (Cobb, 2001).

The CBC and the Canadian media environment

Any consideration of Canadian public broadcasting has to situate it with respect to the overall media environment in which it operates. In Canada – as elsewhere – the media system is a reflecting mirror that allows citizens to see and communicate with each other. But, for a number of particular reasons, the media system is especially crucial here. Canada has the second largest land mass in the world and spans no less than six time zones with a population that is largely nestled in patches for literally thousands of miles along the U.S. border. It has sharp and sometimes threatening linguistic and regional divisions and, as already noted, has taken in more new immigrants per capita than any country in recent history and its people are exposed to a continuous flood of media messages from the United States. Maintaining and sustaining a distinct culture and identity is arguably the main task of the Canadian media system.

The Canadian media system is complex and multidimensional. In fact, the system has so many contingent parts working on so many different levels that keeping track of its many interactions can be a dizzying experience. At the centre of this wheel is the publicly funded Canadian Broadcasting Corporation which operates two main TV networks (in English and French), two cable all-news channels, four radio networks, a northern service that reaches into the vast expanse of the Canadian North and broadcasts in a myriad of Aboriginal languages, and an international service, Radio-Canada International. The national public broadcaster receives 60 per cent of its funding in the form of an annual grant from Parliament with the remainder coming from sales and advertising. The CBC is the largest journalistic organisation in the country and is also the main showcase for original Canadian radio and television production.

But the CBC is no match for commercial broadcasters that are part of larger media conglomerates. Again international factors have played a role here. Because Canadian media companies are tiny by international standards and must compete with global giants such as Time Warner and News Corporation, the government and the CRTC have allowed Canadian companies to have the size and buying power needed to compete. Hence, the media horizon is dominated by a clutch of privately owned media conglomerates whose stables of properties include newspapers, radio and TV stations, satellite services, magazines, cable operations and sports franchises. Taken together, they tower over the CBC in terms of both revenue and audience reach.

The largest of these corporations is Bell Canada Enterprises, which owns the CTV network, Canada's most prestigious newspaper, *The Globe and Mail*, a bevy of cable channels, as well as telephone and satellite services. CanWest Global, founded by the late Israel Asper, owns Canada's third TV network, Global Television, and the Southam newspaper chain which includes the *National Post*, as well as a picket fence of important regional newspapers. In the large Vancouver/Victoria market, for instance, CanWest Global owns all of the major newspapers as well as the dominant TV stations.

In Quebec, the landscape is dominated by Quebecor. It controls TVA, Quebec's most watched TV network, Vidéotron, which has a firm grip on the cable market in Quebec, important newspapers such as *Le Journal de Montréal* as well as the Sun newspaper chain which owns tabloid papers in Toronto, Ottawa, Winnipeg, Calgary and Edmonton among other properties. Quebecor also produces a host of magazines, owns book and music stores and runs concert tours. It is also the largest printing company in the world. Yet another major player, Rogers Communications, owns most of the country's magazines, is Canada's largest cable provider, has a share in a number of cable and digital channels, operates dozens of radio stations, and recently purchased the Toronto Blue Jays baseball team.

The CBC is handicapped in any competition with these media giants. First, cross-media or cross-platform media conglomerates enjoy economies of scale and can assemble their audiences through a number of different vehicles. Most importantly, perhaps, they can promote their programs through the other media outlets they own. TVA's hit program *Star Académie*, for instance, is touted endlessly in magazines, newspapers and in music stores as well as on Internet sites and TV stations, all of which are owned by TVA's parent company Quebecor.

Added to the dilemma faced by the CBC is that while the Canadian media system is dominated by a handful of corporations, audiences are fragmented to a degree not found in many other countries. This is especially the case with television. There are over 250 cable and digital TV services, including ones aimed at children, the business community, Aboriginal people, older citizens, gays and religious viewers. There is also a blizzard of news, sports, ethnic and pay-per view channels. As we shall explain later, the CBC has,

with the exception of its all news channels Newsworld and RDI, been denied entry into the bounteous world of cable TV. Private broadcasters have been allowed to buy the prime beach front properties in cable TV, while the CBC has had to watch from a distance.

Canadians are also exposed to a torrent of American programming coming directly from the major U.S. networks, super-stations and cable channels, almost all of which are readily available in Canada. One of the mainstays of the Canadian broadcasting system is a policy of simultaneous substitution of signals that blocks out American advertising when both American and Canadian broadcasters are airing the same U.S. program. It also needs to be pointed out that a large number of Canadians, as many as 750,000 according to one estimate, receive unauthorised satellite services from U.S. providers and are for all intents part of the American rather than the Canadian broadcasting system.

Despite the disadvantages that the CBC has had to face, the Broadcasting Act of 1991 which governs the broadcasting system, still gives the corporation onerous responsibilities. Section 3, which is the main lever of the Act, stipulates that Canadian broadcasting is a public service, comprised of public, private and community elements, and that broadcasters must air programming that reflects "Canadian attitudes, opinions, ideas, values and artistic creativity." The most controversial parts of the Act are the sections that deal with Canadian unity and identity. The Act states that broadcasting must "serve the needs and interests, and reflect the circumstances and aspirations of Canadian men, women and children, including equal rights, linguistic duality, the multicultural and multiracial nature of Canadian society and the special place of aboriginal peoples (...)." Broadcasting is also seen as being "essential to the maintenance and enhancement of national identity and cultural sovereignty." The previous 1968 Act, which had directed the CBC to "contribute to the development of national unity," had created a swirl of controversy. The 1991 Act, which was the product of years of often painful negotiations and compromises, backed away from making national unity a goal of the system. The CBC is now expected only to "contribute to shared national consciousness and identity." But the CBC must also be in effect the living embodiment of the Act; multicultural, regional, serving minority communities, operating in both national languages and providing special services for the North.

The simple reality is that the corporation no longer has the resources or the capacity to fulfil its obligations under the Act. The CBC doesn't have enough cloth to fit the many contours and limbs of the body envisioned by the Broadcasting Act.

The CBC's battle to survive

The Canadian Broadcasting Corporation was created by an Act of Parliament in 1936 (a previous national public broadcaster, the Canadian Radio Broadcasting Commission, operated from 1932-36.) From 1936-1958, the CBC acted not only as public broadcaster but also regulated the private radio stations which continued to exist. The CBC also had a monopoly on television in its early years. Its fortunes shifted, however, with the introduction in the late 1950s of an independent regulator, the Board of Broadcast Governors, eventually becoming the Canadian Radio-Television and Telecommunications Commission [CRTC] and then, in the early 1960s, private television. Nonetheless, the CBC remained the dominant cornerstone of the system well into the 1980s.²

A major policy shift in 1983 signalled a change that would contribute dramatically to a long decline of the CBC. Without rewriting any of the broad objectives of Canadian broadcasting policy and the cultural institutions that it supports, the government decided to redirect a significant portion of public funds towards developing private sector "cultural industries". A funding agency, Telefilm Canada, was created to oversee public spending on television production and the CBC went, literally overnight, from being a producer to being a programmer of commissioned works by independent producers. The impact, subtle in appearance at first, has been central to the development of Canadian broadcasting, especially television, ever since.

The CBC is faced with a structural problem that is not faced by public broadcasters in other countries. It has always had to contend with direct competition from the United States and with the power and influence of American cultural models. Canada is not insulated from the US by distance or language (except, importantly, in French) and Canadians are eager and enthusiastic consumers of all aspects of American culture. Over the years analysts have referred to the flood, the sea, the torrent, the avalanche etc. to describe the massive and constant invasion of American cultural products. What is interesting and unique is that Canadians were already exposed to American television for some years before the CBC established its first stations in 1952. In other words, American TV to some extent pre-dated Canadian TV in Canada. Loyalty to American broadcasters, and the belief that Canadians have an inalienable right to all the American culture that they can consume, runs deep.

Scholars such as John Meisel (1986) have argued that Canadian culture has become a minority culture in Canada. Much of it is contested in Quebec while in English-speaking Canada it appeals disproportionately to older, more educated and higher income groups. Canadian authors, films, art and music have their principal following among the burgeoning middle class. American culture, on the other hand, has mass appeal. This juxtaposition has consequences for the CBC which many Canadians, not surprisingly, perhaps see as distant, refined and elitist. Meisel suggests that those who mainly con-

sume American mass culture are also the most reluctant to support the CBC. The license fee which is the mainstay of financial support for public broadcasting in the UK, Germany, Italy etc. is politically unthinkable in Canada and has been so for many years.

In countries where public broadcasters rely on license fees paid annually by consumers, public broadcasters have retained their dominant positions. In countries where public broadcasters are not buttressed by these direct infusions of cash, their situation is more precarious.

Another important distinction is that the Canadian federal government, unlike most of its European counterparts, drastically cut spending in general and eliminated its deficit in the 1990s. Almost all crown corporations and institutions were downsized during this period. Cuts to the CBC, perhaps as much as 40 per cent since the 1990s, were part of a wider and determined effort to create a leaner government. The CBC was forced to close stations in key markets, curtail some of its most ambitious projects, retreat into low cost programming ghettos such as documentaries and ensemble comedy, and air some of its programs two or three times a day or a week. Talented individuals fled the CBC amid continuing rounds of layoffs and a lack of opportunity for advancement.

The Lincoln Committee's Report, for example, illustrates the vicious circle in which the CBC finds itself as dwindling resources force it to cut corners in vital areas of its mandate such as regional programming. The Report cites OECD figures showing that Canada ranks twenty-second out of 26 countries in public funding for national public broadcasters as a percentage of GDP³. A chart assembled by Daniel Hallin and Paolo Mancini suggests that there is a rough correlation between revenues per capita for public broadcasters and their audience share; the greater the revenues the greater the audience (Hallin and Mancini, 2004:42).

In some ways decisions taken in 1990 to close a host of local TV stations across the country proved to be a critical turning point. The strategy was to close stations in certain markets and provide viewers with regional programming. Viewers in Calgary would be served from Edmonton, in Saskatoon from Regina etc. The problem, of course, is that loyalties at the local level are integral to the success of national programming. Stations that are strong in local markets are able to build audiences and advertise their big-ticket prime time shows throughout the day. Moreover they have a continuing and often boisterous presence in the community through their extensive promotions of local personalities, events and news. At the CBC this vital connection has largely been severed. One can argue that the CBC never recovered from these deep wounds.

The Calgary situation is particularly instructive. At the time of its closing, the CBC local station had the second largest audience in what is now Canada's wealthiest and fastest growing city. The station had been making money and the prospects for fulsome profits were good. On the day the station was shut down, tens of thousands of viewers migrated to CFCN, CTV's local flag-

ship station. Despite numerous attempts by the CBC to re-style a local news show, viewers have never returned in appreciable numbers. Loyalties have shifted elsewhere and the CBC is still seen by many as having “abandoned” the city.

As mentioned above, another blow to the corporation came with the explosion of cable services in the 1980s and 1990s and digital services in the early part of this century. In some countries the expansion has occurred in a way that took account of the needs of the main public service broadcasters. In the UK, for instance, there is famously a BBC1 and BBC2 and there are now also new digital channels such as BBC4 (arts and music), CBeebies (for pre-schoolers), CBBC (for pre-teens) as well as another service for young adults. In Canada, however, the CBC has largely been denied access to the burgeoning world of cable and digital TV. The corporation only has two cable franchises: its English- and French-language all news channels, Newsworld and le Réseau de l’information (RDI). Both of these services pay for themselves via pass-through charges borne by cable customers. The many lucrative sports, children’s and music channels were given to private broadcasters.

A number of formal attempts by the CBC to gain a greater foothold in the new cable universe were denied by the CRTC.⁴

The Lincoln Committee listed eight CBC licence applications for new television services that had been denied by the CRTC in the 1990s, and commented: “Given that all of these proposed services suit the mandate of a public broadcaster, the Committee cannot understand why the Corporation was

There is reason to believe that the public broadcaster was dissuaded from even applying for the more profitable services. No doubt much of the recent history and fortunes of the CBC would have been different if it had been awarded franchises for a sports or children’s channel. Revenues from pass-through charges and the economies of scale that might have been achieved would have provided a firmer financial basis for the corporation and a much greater audience reach.

In the end, cable and digital expansion became the corporation’s greatest nemesis. First, it now has to compete against what in most Canadian homes is over 100 channels and services. The market has become so fragmented that the mass audience is quickly becoming a vestige of the past. Narrow customised “boutique” television increasingly dominates the horizon. The main private broadcasters are able to “reassemble” their audiences by owning a myriad of cable franchises. This is something that the CBC cannot do.

Even in the news area where the CBC has some pride of place because of Newsworld and RDI, competition is fierce. Its news channels have to compete against a headline news service run by CTV, a regional news channel in Ontario, CNN, CNBC, a financial news channel and of course, a torrent of local news shows. And as pointed out at the beginning, Canadians have ready access to news broadcasts from around the world. The CRTC is currently deciding whether FOX News should be included in cable pack-

ages. If public broadcasters in other countries were faced with the sheer amount of competition that the CBC now faces, their audiences would be bound to slip.

Second, cable expansion has also meant that parts of the CBC's mandate or programming areas that were once its exclusive preserve, have been parcelled out to others. Children's television, the arts, religious programming, programs that reflect ethnic diversity and the servicing of Aboriginal communities are now provided for by other broadcasters including other public broadcasters. Instead of expanding the role of the CBC, the CRTC allowed other public broadcasters to be created. For instance, public broadcasters such as the Aboriginal Peoples Television Network and Vision TV are competing against the CBC on what might still be considered its "territory".

Elihu Katz, a distinguished scholar, has criticised regulators for allowing virtually any and all broadcasters – anyone who can show that they have a reasonable business model – to be granted a license. In his view, the endless granting of licences erodes the capacity of the major broadcasters to maintain profits and produce quality programming. As Katz has put it,

Why are governments contributing to the erosion of nation-states and national cultures? Why don't they see that more leads to less to insignificance...to the atomization and evacuation of public space? Why don't they see that national identity and citizen participation are compromised? Why don't they realize that they are contributing directly to the erosion of the enormous potential which television has to enlighten and unite populations into the fold on national cultures? (Katz, 1996)

While Katz is concerned about the capacity of a society to in effect hear itself amid the clatter of so many channels and choices, the argument for a strong public broadcaster is also based on the need to provide not just another voice but a different voice. As noted earlier, private broadcasters such as CTV, TVA and Global are part of multi-media conglomerates that can endlessly promote and showcase programs through a wide variety of media platforms. Unlike its main competitors, the CBC does not own newspapers, cable operations, sports franchises, magazines, music stores or phone companies. The CBC is handicapped and out-gunned in any direct competition simply because it does not have the multiple outlets that its competitors enjoy. In some markets such as Montreal and Vancouver, the media landscape is so dominated by a single corporation that the CBC is almost the only competing voice. This gives the public broadcaster a mission that is far different from the one that was envisioned 50 or even 20 years ago.

Although the tilting of the broadcasting system toward private broadcasters is due to a number of factors including the power and skill of powerful private broadcasters as well as the work of industry lobbyists such as the Canadian Association of Broadcasters and to prevailing attitudes in the 1990s that placed particular faith in the private sector, at the end of the day the

CBC seems to have had few friends at the cabinet table as well as at the CRTC. Politicians of almost all stripes have at one time or another viewed the corporation with a mixture of animosity and suspicion and believed that they could make the corporation sing to their tune.

The brutal reality is that the CBC has been allowed to become a political football.

The media watchdog group Friends of Canadian Broadcasting has reported that since 1936, 89 per cent of those appointed to the CBC's Board of Directors had been affiliated with the governing party. Since 1968, 87 per cent of appointees have been tied in some way to the party in power (Friends of Canadian Broadcasting, 2004).

Political pressures on the CBC really began during the late 1950s and 1960s.⁵ Conservative Prime Minister John Diefenbaker (1957-62) believed that the corporation had been over run by communists and had become a "mass propaganda agency." CBC programming would often send him into towering rages and he attempted to have at least one radio show, *Preview Commentary*, cancelled. When the corporation resisted his efforts, Diefenbaker retaliated by freezing the salary of CBC President Alphonse Ouimet and there is some evidence that he played a role in securing a TV license for a friend and political ally. That TV license, CFTO in Toronto, would eventually become the fulcrum and catalyst for the founding of Canada's first private network, CTV. A Liberal Prime Minister, Lester Pearson (1963-68), was no less thin-skinned. Stung by criticisms of his government, Pearson encouraged a parliamentary committee to hold public hearings into the popular and controversial program, *This Hour Has Seven Days*. The Prime Minister's Office then launched its own investigation into whether the program was politically biased. Not surprisingly, the program was cancelled.

The darkest days for the CBC in terms of political interference may have been during Brian Mulroney's Prime Ministership (1984-93). Mulroney would, according to at least one source, phone the CBC's Chair, Patrick Watson, with protestations that would range from "angry" to "subtle". He stacked the CBC board with fellow Conservatives and cut the corporation's budget. One board member, John Crispo, once suggested that cuts to the CBC's budget were made as "a down payment and a warning" following what he saw as the CBC's one-sided anti-American coverage of the Gulf War in 1991.

During the close and bitterly contested Quebec referendum on sovereignty in 1995, accusations of bias reached unprecedented proportions. Prime Minister Jean Chrétien (1993-2004) openly griped about pro-separatist leanings at Radio-Canada claiming that the network treated the sovereignist leader, Lucien Bouchard, with "kid gloves" and of ignoring at least one of his major speeches. According to at least one report which circulated, key Liberals had vowed during the referendum to close the "separatist nest" once and for all.

It is small wonder given this history that the CBC has been at the sharp end of the stick in terms of budget cuts and has been largely frozen out of the cable and digital worlds. What is perhaps most surprising is the extent

to which the public broadcaster has remained vulnerable to shifting political winds. Methods and procedures that could provide insulation from political pressures could easily have been adopted over the years. The corporation could have been granted multi-year funding so that it did not have to face annual scrutiny by politicians. Recommendations made by a mandate review committee in 1996 that funding come from a special tax that would replace the 7 per cent GST on certain media related purchases was rejected almost instantly. The Lincoln committee report suggested that the Board of Directors be comprised of people representing a variety of interests in order to prevent the government from “stacking” the board with political appointees. Indeed some of the members of the Board might be drawn from the CBC itself.

One interesting check would be to see the CBC President named by the Board, as is the case with the BBC in Britain. Again, what is remarkable is that politicians have preferred to keep the corporation within easy political reach rather than provide mechanisms that would ensure its independence.

The combination of severe budget cuts and vastly increased competition from cable and digital services produced a dramatic drop in audience numbers. In 1969, for instance, CBC television had a 35 per cent audience share, while Radio-Canada attracted 40 per cent of French Language viewers (Canada, House of Commons, 2003, p.88). By 1993 the audience for the CBC's main channels had sunk to 13 per cent of English language and just 23 per cent of the French-language viewers. By 2001-02 audience numbers on the English side had dwindled even further to just 7.5 per cent and 17.8 per cent on the English and French sides respectively (Canada, House of Commons, 2003:90). The radio story has been different however. In fact, CBC popularity seems to have risen in recent years. In Fall 2002, its Radio One and Radio Two garnered 12.3 per cent of listeners during the broadcast day – compared to 10.8 per cent in Fall 1999. The audience for *la Première Chaîne* and *la Chaîne Culturelle* rose from 9.8 in Fall 1999 to 12.4 in Fall 2002 (Canada, House of Commons, 2003:187).

The CBC responded to the decline in funding that occurred in the 1990s by concentrating on certain types of programming. The corporation realised that its budget could no longer sustain a schedule that included a wide range of programs. The new diet focused on children's programs, news and current affairs, sports (especially NHL hockey) and on special events. Its greatest gamble was a \$ 25 million production entitled *Canada: A People's History*. Broadcast in both official languages on nine Sunday nights during winter 2002, the 30-hour production attracted sizeable audiences, was sold in a CD-ROM version and was used in history and social studies classes across the country.

Another strategic CBC decision was to Canadianize its schedule. The corporation's goal is to have 100 per cent Canadian programming throughout the broadcast day. Amid so much competition from so many other broadcasters some of which broadcast in areas where the CBC once had pride of

place, the corporation has at least one distinct feature – it can claim a Canadian schedule. This may be its last and best defence. Presumably Canadians will always need a place in the broadcasting universe that they can call home.

During the 2004-2005 season, the corporation continued to build its schedule around programs that had a distinctive CBC quality; a dramatic mini-series on the world wide business of sex-trafficking, another mini-series featured a Canadian Prime Minister standing up to Americans who want to control the country's fresh water, and a TV movie about life and death decisions made in an under-funded hospital. The broadcaster also aired *Making the Cut*, a hockey reality series that put men who aspire to be hockey stars through the rigours of an NHL training camp, as well as *The Greatest Canadian*, a program adopted from European television which asked people to vote for the person whom they believed had made the greatest contribution to Canadian life. It also debuted a new dramatic series, *Ciao Bella*, about a single career woman living in Montreal's little Italy.

The public view of public broadcasting

Analysis of Canadian radio and television programme schedules and audience figures also demonstrate the important place of the CBC in the deep structure of Canadian broadcasting. The Lincoln committee assembled data showing that the vast majority of *Canadian* programming exhibited and watched on Canadian television was broadcast by the CBC.⁶ To the extent that this is felt to be a positive value, there is no question that CBC remains an essential cultural institution in Canada. This view is, in fact, borne out by public opinion surveys.

In mid 2004 the lobby group Friends of Canadian Broadcasting released the findings of a national public opinion survey by the independent polling firm Ipsos-Reid, on attitudes of Canadians towards broadcasting⁷. One question asked respondents: "Please tell me how much confidence or trust you personally have in each (of the following) group(s) to protect Canadian culture and identity on television:" The results were as follows:

- CBC 76%
- TVA (French respondents only) 66%
- CTV (English only) 62%
- TQS (French only) 57%
- Specialty channels 54%
- Global TV 53%
- The CRTC 48%

- Consumer groups 43%
- The federal government 40%
- Your provincial government 40%
- Cable television companies 30%
- Telephone companies 29%
- Satellite companies 23%

When Ipsos-Reid read a series of statements to survey respondents, here is the percentage of respondents who strongly or somewhat agreed with the following:

- I want to see the CBC survive and prosper – 94%
- The CBC is one of the things that helps distinguish Canada from the United States – 89%
- The CBC provides value for taxpayers' money – 77%

Regarding funding, the survey asked the following question: “Assume for a moment that your federal Member of Parliament asked for your advice on an upcoming vote in the House of Commons on what to do about CBC funding. Which of the following three options would you advise him or her to vote for ... decrease funding for the CBC from current levels ... maintain funding for the CBC at current levels or increase funding for the CBC from current levels?” The responses were as follows:

- Decrease... 9%
- Maintain... 51%
- Increase... 38%

The Ipsos-Reid poll also asked Canadians “how important is it that programming made in and about your part of the country be produced?” Seventy-eight percent of respondents replied that it was “important” or “very important”. The poll also found that 85% of Canadians wanted “to see CBC strengthened *in my part of Canada*” and 80% agreed with the statement: “we should build a new CBC capable of providing high quality Canadian programming *with strong regional content* throughout Canada”.

These findings point to a number of key issues, indeed paradoxes, about the CBC's dilemma. First, support for the CBC and the sense of its importance among Canadians clearly surpasses by far what could be deduced from a superficial consideration of audience statistics. Second, Canadians feel a need for public broadcasting at a local and regional level that they would like to see CBC fulfill. The Lincoln committee intuitively interpreted this feeling as reflecting that in many parts of Canada, the CBC “has the capacity to be one of the essential building blocks of community life”. The Friends, whose paid

membership reaches into 60,000 Canadian homes, concluded that “The CBC could be mandated to play a far stronger role in citizen engagement and life-long learning, both Canada-wide and in major communities across the land.”

Despite the strong attachments that many Canadians have to the CBC, the corporation remains vulnerable. During the lead up to the June 2004 federal election, Conservative opposition leader Stephen Harper suggested that the CBC’s main TV networks and its two radio channels devoted to classical music be commercialised. He argued that the CBC should only operate in areas where the private broadcasters were not doing the job. Another prominent Conservative politician, Tony Clement, also questioned whether the CBC should exist in its current form. Clement was quoted as saying: “Do we need the CBC in its current format, when there are so many private broadcasting channels available? When’s the last time we truly looked at the CBC and its mandate and the role of the taxpayer in funding that. I think we have to do something different.” (Friesen, 2004)

As we have shown, part of the problem is that the CBC now finds itself in a vicious circle. Without the resources required to meet its mandate and deliver distinctive quality programming, the case for privatising or dismantling the CBC becomes more obvious and inviting. Having largely retreated from big budget dramatic productions, and indeed from lucrative local markets, large segments of the audience have disappeared. What keeps CBC television afloat in English-speaking Canada, at least, are its broadcasts of NHL hockey, the Olympics and a mix of mini-series, TV movies and specials into which the corporation throws much of its resources. Even its marquee national news programs have slipped dramatically in popularity.

The question perhaps is whether a kind of tipping point has been reached where the corporation has been weakened to the point where its very weakness becomes an argument for shutting it down or privatising it. The Canadian public would clearly like to see more Canadian programming and a stronger and more resilient CBC especially at the local level. But political will is another matter.

The Lincoln Report and the CBC

In June 2003, the parliamentary committee’s broadcasting study⁸ reported that “the CBC continues to represent an important public policy instrument that not only nurtures, but helps to promote Canada’s vibrant and diverse cultures.” It concluded that “the time has come – and that it is entirely possible – for Canada’s national public broadcaster to be re-invigorated with a new mandate – one that would meet with general acceptance from Canadians.” The Committee made a series of precise recommendations designed to address some of the dilemmas the CBC has faced over the past dozen years or so. As required by law, the Government responded to the parliamentary committee report⁹, reaffirming “that the CBC is a unique and essen-

tial instrument in the Canadian broadcasting and cultural landscape". In line with the committee report, the Government further stated "that it is particularly important that the CBC better communicate its plans and priorities, and that its accountability for results to Canadians be improved."

The Lincoln Report attempted to redress each of the CBC's many problems in a systematic way. It recommended multi-year funding, proposed mechanisms to ensure that the board would not become a political instrument and encouraged the government to find more space for the CBC in the cable and digital worlds. But the parliamentary report also sought to recast the public broadcaster by suggesting new ways in which the corporation might see its role. At the heart of its proposals was the proposition that the CBC had to find a means to re-enter local broadcasting. The parliamentarians believed that a strong national network could not be sustained without strong local roots. In recommending the creation of a Local Broadcasting Initiative Program (a fund that would bring together private, community and governmental partners) the committee was offering the CBC a way to re-build its local and regional presence and stature. While the LBIP would be open to all broadcasters, the CBC would clearly be a beneficiary.

It may also be time to see the public broadcaster take on an asymmetrical shape and responsibilities. The CBC does not have to have the same shape or offer the same programming everywhere in the country. There may not be a need for the CBC to maintain a local news hour in large cities where there are 4 or 5 private broadcasters that have long since filled that need. This may not be the case, however, in smaller centres or in provinces where private broadcasters have less of a presence.

The Lincoln Committee tried to set a course for re-visioning the CBC by recommending increased and stable long-term funding – in exchange for which the public broadcaster would have to submit a detailed strategic plan outlining how it proposed to fulfil its mandate with respect to local and regional broadcasting, Canadian programming, and new media initiatives.¹⁰

As this book went to press, these proposals have not been acted upon – although the government has issued two official responses to the Lincoln Report (Canada, Department of Canadian Heritage 2003 and 2005). It remains to be seen whether Canada's political leaders and the public broadcaster itself have the vision and imagination that are needed to strengthen and perhaps even reinvent public broadcasting in the 21st century.

Lessons for other public broadcasters

European advocates of public broadcasting might see the Canadian case as a dark foreboding of what might happen in their own countries. Indeed all of the factors that weakened the CBC are present in Europe. The hyper-fragmentation of audiences brought by the explosion of cable and digital chan-

nels can be delayed but not avoided. The emergence of large corporate behemoths that enjoy the benefits of cross-media ownership and can tower over public broadcasters, while limited by what they can own in some countries, is likely to continue. Most critically perhaps, Canada made tough decisions in the 1990s to eliminate deficits and pay down debt that many European countries have yet to make. While some public broadcasters in Europe are shielded from government budget cuts by the existence of licence fees, others are not. Even in systems where a licence fee is in place, broadcasters that wish to raise the levy need permission from governments. And the shrinking of a local presence that has arguably been the most devastating effect of the budget cuts made by the CBC can happen to any broadcaster that forgets that culture has to be nurtured and audiences won at the local level.

Although the Canadian case reflects unique circumstances, not the least of which are the relentless onslaught of signals from American broadcasters that spill across the border and the costs of connecting across such a vast land mass, the weakening of the CBC should cause public broadcasters elsewhere to be concerned. Some lessons are clear.

First, public broadcasters will need to have multiple footholds in the new digital universe. They will have to occupy new spaces and accumulate audiences in more complex ways than in the past. The lessons provided by the CBC in this regard are dramatic. Largely shut out of the burgeoning cable and digital universe, the CBC reaped few rewards even as the TV world expanded. Public broadcasters cannot allow this to happen if they wish to survive, let alone prosper.

Second, public broadcasters have to be protected as much as possible from frustrated and partisan politicians who wish to exert control in one way or another. This is easier said than done. Some public systems have political partisanship and power-sharing arrangements built into their very fabric. Here the Lincoln Report has sober advice that has resonance elsewhere.

Third, the decision, forced on the CBC by its many budget crises, to throw almost all its eggs in one basket by concentrating on national as opposed to regional and local programming, should not be duplicated elsewhere. In smaller countries this distinction may not be as poignant. But in Canada the glaring lesson is that the two levels are inextricably linked. Audience loyalty begins and to some degree ends with local stations, personalities and programming. One has to build from the bottom up as much as from the top down.

We do not wish to suggest that it is time to write the final epitaph for Canadian public broadcasting. New strategies and new infusions of money may turn the situation around, at least to some degree. There is little question, however, that in the new global media environment, public broadcasters like the CBC will remain essential instruments of national cultures, civic engagement and public life. The question is whether governments will recognise that in the new media age public broadcasting is as important for societies as it has ever been – perhaps more so.

Notes

1. Standing Committee on Canadian Heritage, *Our Cultural Sovereignty. The Second Century of Canadian Broadcasting*. Ottawa: Communication Canada Publishing, June 2003. The authors of this chapter served as expert advisors to the Committee.
2. For a detailed history of the evolution of Canadian broadcasting and the CBC's role therein, see Raboy, 1990. For the CBC's current mandate, as specified by the Broadcast Act of 1991, see Appendix 1.
3. See Appendix 2. The table shows that Canada ranks just above Portugal and Poland for its spending on national public broadcasting as a percentage of GDP in 1999. Conversely, Finland, Denmark, Norway and the United Kingdom placed in the top four with public funding expenditures that were three to four times greater than what is spent in Canada on the CBC. See also Appendix 3, CBC funding, 1990-2002.
4. The Lincoln Committee listed eight CBC licence applications for new television services that had been denied by the CRTC in the 1990s, and commented: "Given that all of these proposed services suit the mandate of a public broadcaster, the Committee cannot understand why the Corporation was
5. This section is based on Taras, 2001.
6. See Appendix 4.
7. Poll conducted between May 4-9, 2004 (Ipsos-Reid 2004).
8. Standing Committee on Canadian Heritage, *op. cit.*
9. Department of Canadian Heritage, "The Government of Canada's Response to the Report of the Standing Committee on Canadian Heritage, *Our Cultural Sovereignty: The Second Century of Canadian Broadcasting*". Ottawa: Her Majesty the Queen in Right of Canada, November 2003.
10. See Appendix 5.

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